

Kentucky Higher Education Student Loan Corporation  
Unaudited Balance Sheet by Fund  
September 30, 2009

	Auction Rate Education Finance Funds	
	1997 General Bond Resolution	2004 General Bond Resolution
<b>ASSETS</b>		
<b>Current:</b>		
Accounts Receivable and Prepaid Expenses	\$ 10,500	\$ 32,619
Accrued Interest Income	17,484,893	27,911,080
<b>Total Current Assets</b>	<b>17,495,393</b>	<b>27,943,699</b>
<b>Noncurrent:</b>		
Restricted Cash and Cash Equivalents	77,923,472	20,975,188
Loans, Net	756,274,274	985,922,303
Deferred Front End Borrower Benefits, Net	5,081,054	15,322,126
Deferred Debt Issuance Costs, Net	3,132,640	3,662,717
Deferred Lender Origination Costs, Net	2,178,320	3,966,066
<b>Total Noncurrent Assets</b>	<b>844,589,760</b>	<b>1,029,848,400</b>
<b>Total Assets</b>	<b>\$ 862,085,153</b>	<b>\$ 1,057,792,099</b>
<b>LIABILITIES</b>		
<b>Current:</b>		
Accounts Payable and Accrued Expenses	\$ 87,062	\$ 348,783
Payable to U.S. Department of Education ( <i>Schedule A</i> )	3,052,658	5,022,726
Interfund Payable (Receivable)	(708,939)	(658,712)
Due to the Authority	0	5,000,000
Accrued Interest Expense	4,577,629	1,218,326
<b>Total Current Liabilities</b>	<b>7,008,410</b>	<b>10,931,123</b>
<b>Noncurrent:</b>		
Allowance for Arbitrage Liabilities	283,071	283,087
Bonds Payable	810,800,000	1,043,800,000
<b>Total Noncurrent Liabilities</b>	<b>811,083,071</b>	<b>1,044,083,087</b>
<b>Total Liabilities</b>	<b>818,091,481</b>	<b>1,055,014,210</b>
<b>NET ASSETS</b>		
Non-Spendable	10,392,014	22,950,909
Spendable:		
Restricted	24,324,000	(20,173,020)
Committed	9,277,658	0
<b>Total Net Assets</b>	<b>43,993,672</b>	<b>2,777,889</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 862,085,153</b>	<b>\$ 1,057,792,099</b>

**Schedule A**

Payable to U.S. Department of Education  
Accrued loan interest/ government  
Accrued loan interest/ special allowance  
Origination fee payable  
Lender origination fee payable  
Total Payable related to U.S. Department of Education

<b>Auction Rate Education Finance Funds</b>	
<b>1997 General Bond Resolution</b>	<b>2004 General Bond Resolution</b>
\$ 3,449,727	\$ 6,869,449
(6,502,472)	(11,882,842)
34	(3,037)
53	(6,296)
<u>\$ (3,052,658)</u>	<u>\$ (5,022,726)</u>